Upgradation of Amausi and Babatpur Airports

138. PROF. (SHRTMATI) BHARATI RAY: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Government have decided to modernise and upgrade Amausi and Babatpur airports to meet international standards;

(b) if so, what is the anticipated expenditure; and

(c) by when the work is likely to start?

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN): (a)Yes, Sir.

(b) and (c) The anticipated expenditure for upgradation works at Amausi Airport (Lucknow) is Rs. 27 crores. The work for extension and resurfacing of runway to 9000 feet and installation of Category II lighting system has been awarded on 27-9-2001. Regarding Babatpur Airport (Varanasi) the anticipated expenditure is Rs. 75 crores. The works for extension and resurfacing of runway to 9000 feet, and construction of new terminal building, are likely to be awarded by March, 2002 and January, 2002 respectively.

Indemnity to Air India

139. SHRI C. RAMACHANDRAIAH: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that Government has extended a $ 500 million indemnity to Air India till November 30, while the same has been declined to Indian Airlines; and

(b) if so, the reasons for declining it to Indian Airlines?

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAN): (a) and (b) As per the agreement with the lessors/lenders of aircraft Air India is required to have third party cover up to US$ 1500 million. At present, the insurance market has been able to offer cover only upto US$ 1000 million. Therefore, they have approached the Government to cover the balance US$ 500 million. The Government of India has accordingly extended the US$ 500 million indemnity to Air India till November 30,2001. In so far as Indian Airlines is concerned the insurance cover required is only US$ 500 million which they have been able to get through insurance market.